IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION NO.212 OF 2006

Mrs.Sanjeevanee Vishnu Bhide. ...Petitioner.

vs.

1. Kshitij Finstock Pvt.Ltd. & another. ...Respondents.

Ms.Aarti Bhide, for Petitioner.

Mr.R.G.Kulkarni, for Respondent no.1.

Mr.Gaurav Joshi i/b. D.P.Desai, for Respondent no.2.

CORAM: D.K.DESHMUKH,J.

DATED: 18th September,2006.

P.C.:-

1. By this petition filed under Section 34 of the Arbitration and Conciliation Act,1996, the petitioner challenges only that part of the Award by which the Arbitral Tribunal has held that the financial arrangement arrived at between the parties viz. petitioner-client and the sub-broker regarding depository account is not governed by the bye-laws of the Stock Exchange and therefore, the Arbitral Tribunal has no jurisdiction to make the Award in relation thereto.

2. I have heard the learned Counsel appearing for petitioner. Perusal of the Award shows that the Arbitral tribunal has dealt with this issue at length. The Arbitral Tribunal has relied on the statement made by the petitioner herself that the transaction was off-market transaction. If admittedly the transaction of handing over of the shares by the applicant to the sub-broker was off-market transaction, it is obvious that the transaction was not governed by the bye-laws of the Stock exchange. Perusal of the bye-laws of the Stock Exchange shows that in order that the Arbitral Tribunal gets jurisdiction, the difference or dispute must arise out of the transaction made subject to the bye-laws, rules and regulations of the Stock Exchange. Perusal of the statement of case of the petitioner shows that she herself has stated that she gave certain shares on depository account of the sub-broker. The bye-laws of the stock exchange do not regulate the depository account of the sub-broker. Therefore, in my opinion, the Arbitral Tribunal has rightly held that the transaction was not on the stock exchange and therefore, remedy of the petitioner does not lie before the arbitral tribunal created under bye-laws of the National stock exchange and the remedy of the petitioner lies elsewhere. I do not find any error in the Award impugned in the petition. Hence, the petition is disposed of. No order as to costs.